

810-5-8-.02 Issuance of Certificate of Cash Bond and Satisfaction of Judgements.

(1) Section 32-7A-4, Code of Alabama 1975, provides an alternative to motor vehicle liability insurance requirements for motor vehicles covered by a "deposit of cash with the State Treasurer" and states the cash bond "shall be ~~a sum of not less than fifty thousand dollars (\$50,000.00)~~ in the amount of not less than the minimum amounts of liability coverage for bodily injury or death and for destruction of property as detailed in Section 32-7-6". The "Application for Cash Bond Certificate" (Form MV-MLI-001) ~~will~~ shall be submitted to the department specifying the owner's name, Alabama certificate of title number, if applicable, and vehicle identification number.

(2) Persons who deposit cash with the State Treasurer department in the amount of not less than the minimum amounts of liability coverage for bodily injury or death and for destruction of property as detailed in Section 32-7-6 ~~fifty thousand (\$50,000.00)~~ are to be covered by a certificate of cash bond, ~~in order to prove their coverage,~~ shall carry within each vehicle the "Cash Bond Certificate" (Form MV-MLI-002) (or legible copy thereof) as issued by the Department of Revenue in order to prove their coverage. The "Cash Bond Certificate" shall contain the vehicle identification number.

(3) The "Cash Bond Certificate" (or legible copy thereof) shall be displayed upon request by any law enforcement officer as provided under Section 32-7A-6~~(h)~~ in order for the officer to ascertain that the vehicle owner or operator is covered under the provisions of Chapter 7A of Title 32. If the owner refuses or fails to provide proof of exemption as provided in this rule, the person shall be deemed in violation of Section 32-7A-16.

(4) In the event that the person to whom a "Cash Bond Certificate" is issued elects to and does withdraw his/her cash deposit from the State Treasurer department, the owner or operator shall obtain insurance coverage as required by Chapter 7A of Title 32. Anyone who withdraws his/her cash deposit from the State Treasurer department shall not display the "Cash Bond Certificate" (or legible copy thereof). Anyone displaying a "Motor Vehicle Liability Bond Certificate" knowing the Certificate has been canceled or knowing the Certificate is illegally altered, counterfeit or otherwise invalid, is in violation of Section 32-7A-16.

(5) In the event that the minimum principal on deposit of fifty thousand dollars (\$50,000.00) is drawn upon as a result of any judgement rendered against the principal in the cash bond or any person responsible for the operation of the principal's motor vehicle with his or her express or implied consent, arising from injury, death, or damage sustained through the use, operation, maintenance, or control of the motor vehicle within the State of Alabama; and the principal is reduced to an amount less than the ~~fifty thousand dollars (\$50,000.00)~~ minimum amount required by Section 32-7A-4, he/she will, within 30 calendar days, deposit cash with the State Treasurer department in an amount sufficient to meet the requirements of Section 32-7A-4.

(6) In the event that the person to whom a "Cash Bond Certificate" is issued elects to withdraw the funds deposited with the State Treasurer department, that person will do so on the Cash Bond Withdrawal Request (Form MV-MLI-003). These funds will be held for a period

of sixty (60) calendar days prior to the release of the funds. If during this sixty day period, the department is notified of pending litigation of judgement rendered against the principal in the cash bond or any person responsible for the operation of the principal's motor vehicle with his or her express or implied consent, arising from injury, death, or damage sustained through the use, operation, maintenance, or control of the motor vehicle, said funds will be held until such time that all pending claims against the fund has been resolved.

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Authority: Sections 40-2A-7(a)(5) and 32-7A-3(a), Code of Alabama 1975
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